

IOWA AUTO DEALERS FOR EQUAL OPPORTUNITY
2415 INGERSOLL AVENUE, DES MOINES, IOWA 50312 (515) 243-2080

February 24, 2006

Mediation Report:

On October 11, 2005 the Motor Vehicle Dealer Study Committee convened and interested parties presented testimony.

Pursuant to the Legislative Study Committee request for the Iowa Auto Dealers Association (I.A.D.A.) to mediate issues arising from proposed New Auto Dealer Area of Responsibility legislation, the I.A.D.A. hired Michael Thompson of Iowa Mediation Service to facilitate discussion between the Metro Dealers and the Iowa Auto Dealers For Equal Opportunity (I.A.D.F.E.O.).

On October 11, 2005 eight members of the I.A.D.F.E.O. represented by James Piazza, Jr. met with the Metro Dealers represented by Doug Gross at the offices of Iowa Mediation Services and engaged in discussion regarding the Metro Dealers legislative proposal. The discussion was moderated by Mike Thompson. Discussion of the proposed legislation resulted in an impasse.

The Metro Dealers orally presented a second proposal. This proposal consisted of drawing a circle around Des Moines and its contiguous cities whereby franchise dealers would be able to move their dealerships within their own AOR under law currently in effect. Another circle would be drawn to encompass the Des Moines Metropolitan Statistical Area. Auto dealers located between the boundaries of Des Moines and its contiguous cities and the line demarking the metro statistical area would be subject to the restrictions for moving a dealership as presented in the earlier proposed legislation. Dealerships outside the DSM statistical area would be subject to the law currently in effect. In other words, an area surrounding metro Des Moines would be placed under greater restrictions regarding dealership relocation than anywhere else in the state.

The I.A.D.F.E.O. requested a draft of the second proposal and maps outlining the areas of demarcation. After receiving the new proposal I.A.D.F.E.O. members reached the conclusion that it could not support the proposal as it was purely protectionist in nature and did not afford dealers in the restricted zone equal opportunities for dealership relocation. The I.A.D.F.E.O. voted to reject the second proposal and terminate further mediation with the Metro Dealers.

The I.A.D.F.E.O. wish to express their gratitude to Mike Thompson of Iowa Mediation Services for his efforts and to the members of the Auto Dealer legislative study committee for their time and consideration.

Sincerely,

James Piazza, Jr.
Legislative Liaison I.A.D.F.E.O.